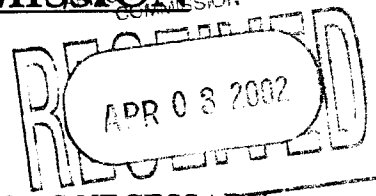


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

L

W-02479A
LORD ARIZONA WATER SYSTEMS INC.
P.O. BOX 3048
SHOW LOW AZ 85902-

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by

4-5-02 cm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Lord Az. Water Systems Inc</u>			
Mailing Address <u>2961 E. Cooley</u>			
<u>Show Low</u>	<u>Az</u>	<u>85901</u>	
(City)	(State)	(Zip)	
<u>928) 5371557</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>Same</u>			
(City)	(State)	(Zip)	
Local Office Telephone No. (Include Area Code)			
Fax No. (Include Area Code)			
Pager/Cell No. (Include Area Code)			
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>Thomas V. Lord</u>			
<u>2961 E. Cooley</u>	<u>Show</u>	<u>Low Az</u>	<u>85901</u>
(Street)	(City)	(State)	(Zip)
<u>928) 5371557</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: _____			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)			
Fax No. (Include Area Code)			
Pager/Cell No. (Include Area Code)			
Email Address _____			

Statutory Agent: _____
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☒ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Lord Ar Water

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	24,300	0	24,300
304	Structures and Improvements	14,500	5,075	9,425
307	Wells and Springs	59,241	20,734	38,507
311	Pumping Equipment	52,976	12,081	40,895
320	Water Treatment Equipment	75,587	29,445	
330	Distribution Reservoirs and Standpipes	75,588	29,445	46,138
331	Transmission and Distribution Mains	572,952	241,692	331,260
333	Services			
334	Meters and Meter Installations	750	266	484
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	520	507	13
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,695	937	758
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	802,517	310,737	491,780

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

LORD Az WATER

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	24,300	5%	725
304	Structures and Improvements	14,500		
307	Wells and Springs	59,241		2,962
311	Pumping Equipment	52,976		2,649
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	75,583		3,779
331	Transmission and Distribution Mains	572,952		28,648
333	Services			
334	Meters and Meter Installations	750		38
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	520		1
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,695		46
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	802,517		38,848

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME

Lord Az

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3637	\$ 2462
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 3637	\$ 2462
	FIXED ASSETS		
101	Utility Plant in Service	\$ 793,178	\$ 802,517
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	271,859	310,270
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 521,926	\$ 492,247
	TOTAL ASSETS	\$ 524,926	\$ 494,709

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Lord Az

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 271,185	\$ 271,185
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	1520	
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	31,963	26,205
	TOTAL CURRENT LIABILITIES	\$ 304,973	\$ 297,390
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 6100	\$ 6,100
211	Paid in Capital in Excess of Par Value <i>Preferred</i>	425,299	425,299
215	Retained Earnings	(211,446)	(234,080)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 219,953	\$ 197,319
	TOTAL LIABILITIES AND CAPITAL	\$ 524,926	\$ 494,709

COMPANY NAME

Lord Az

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 83,017	\$ 92,683
460	Unmetered Water Revenue		
474	Other Water Revenues		180
	TOTAL REVENUES	\$ 83,017	\$ 92,863
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 25,464	\$ 30,219
610	Purchased Water	3,532	5,072
615	Purchased Power	7,076	7,683
618	Chemicals		
620	Repairs and Maintenance	592	8,110
621	Office Supplies and Expense	3,341	1,846
630	Outside Services	2,962	1,167
635	Water Testing	5,787	8,463
641	Rents	48	49
650	Transportation Expenses	364	1,023
657	Insurance - General Liability	1,344	1,433
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	4,517	2,643
403	Depreciation Expense	38,338	38,381
408	Taxes Other Than Income	4,025	4,948
408.11	Property Taxes	3,800	4,609
409	Income Tax	50	45
	TOTAL OPERATING EXPENSES	\$ 101,533	\$ 115,691
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$ 195
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$	\$ 195
	NET INCOME/(LOSS)	\$ < 18,516 >	\$ < 22,633 >

COMPANY NAME

LORD Ar

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 0

Meter Deposits Refunded During the Test Year

\$ 0

COMPANY NAME

Lord A~

WATER COMPANY PLANT DESCRIPTIONWELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55 504124	5	25	5	2
504318	5	13	5	
505642	5	20	8	

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
cedar grove		1388

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 16000

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	1	
2	1		
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20000	1	2000	2
10000	1	119	1
15000	2		

STATISTICAL INFORMATION

Total number of customers	<u>234</u>	
Total number of gallons sold	<u>8,488,594</u>	gallons

COMPANY NAME Lord Az YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>
State Taxable Income Reported	<u>45</u>
Estimated or Actual State Tax Liability	<u>45</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Thomas V. Lord
SIGNATURE

4-1-02
DATE

Thomas V. Lord
PRINTED NAME

Pres.
TITLE

COMPANY NAME Lord Ar YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

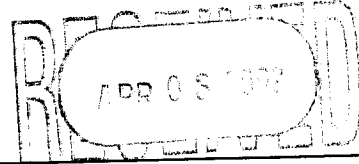
\$ 4609.04

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	_____
NAME (OWNER OR OFFICIAL) TITLE	<u>Thomas V. Lord</u>
COMPANY NAME	<u>Lord Az Water Utilities Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 92683

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 4909.32
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Thomas V. Lord
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER _____

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

First

DAY OF

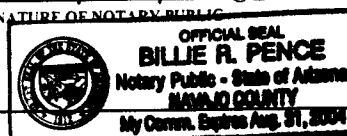
(SEAL)

MY COMMISSION EXPIRES

August 31, 2004

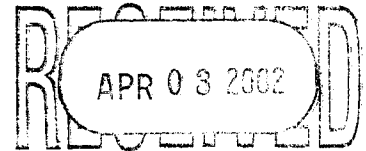
COUNTY NAME	<u>YAVAPAI</u>
MONTH	<u>April</u>
YEAR	<u>2002</u>

Billie R. Pence
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	
NAME (OWNER OR OFFICIAL) <i>Thomas V. Lord</i>	TITLE <i>Prcs</i>
COMPANY NAME <i>Lord Ar. Water Systems Inc</i>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>92,683</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 4809.32
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X *Thomas V. Lord*
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

first

DAY OF

(SEAL)

MY COMMISSION EXPIRES

August 31, 2002

NOTARY PUBLIC NAME <i>BILLIE R PENCE</i>	
COUNTY NAME <i>NAVAJO</i>	
MONTH <i>April</i>	20 <i>02</i>

X *Billie R Pence*
SIGNATURE OF NOTARY PUBLIC



45031
Apache County Treasurer, St. Johns, AZ

RECEIPT

YEAR 01-1/2

PARCEL NO. 939-30-900-007

PAYOR

Lord Arizona Water Syst.
CH 2639

TAX AMOUNT

2,350.33

INTEREST

5% PENALTY

REDEMP. FEE

REFUND

OTHER

TOTAL

2,350.33

PAID

OCT 16 2001

BETTY M. MONTOYA
APACHE COUNTY TREASURER

Apache County Treasurer, St. Johns, AZ

RECEIPT

47998

YEAR 00 2/2

PARCEL NO. 939-30-900 9

PAYOR

Lord Az Water Systems

TAX AMOUNT

2,252.71

INTEREST

5% PENALTY

REDEMP. FEE

REFUND

OTHER

TOTAL

2,252.71

PAID

APR 17 2001

BETTY M. MONTOYA
APACHE COUNTY TREASURER

CK # 2519